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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 18

OCTOBER 1973

Number 3

Released Pursuant to \$1000.3 and \$1090.85, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

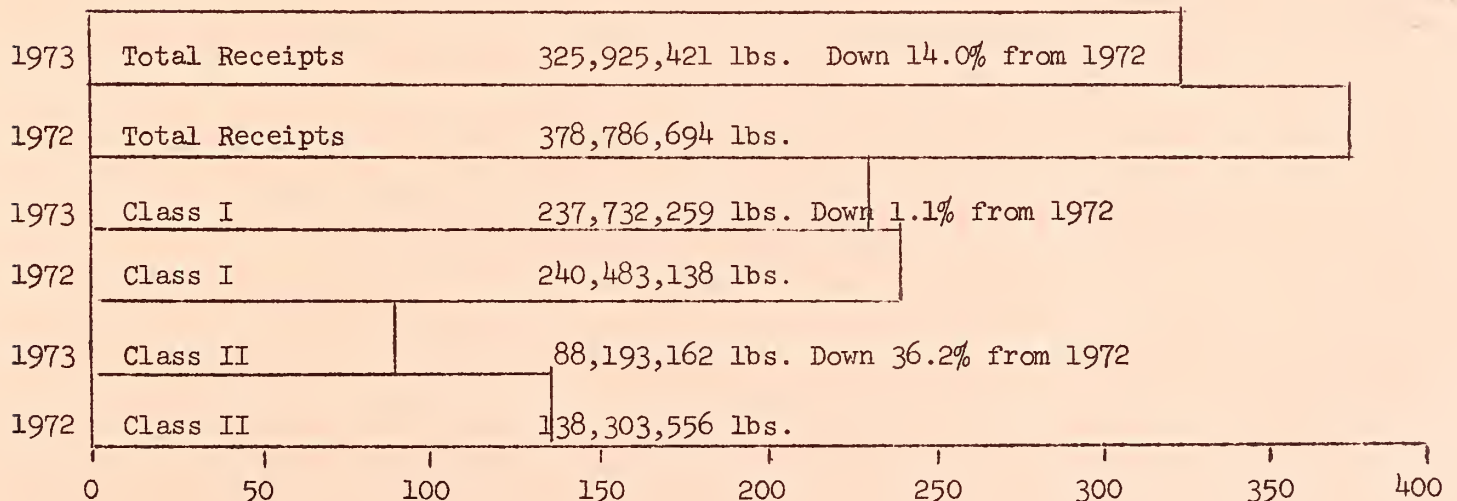
MARKET SUMMARY - OCTOBER 1973

The Chattanooga Order MINIMUM uniform producer price is \$8.33 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 10.0 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$1.60 above October 1972 and an increase of 5 cents above September 1973.

In October 1973, 90.9% of producer milk received by pool plants was priced in Class I at \$8.53 per cwt. and 9.1% was priced in Class II at \$7.49 per cwt. for milk testing 3.5% butterfat. The October handler butterfat differential for Class I was 10.3 cents and Class II was 9.1 cents.

Total producer milk received at pool plants during October 1973 was 22,915,388 pounds which is a decrease of 17,135,630 pounds or a daily average decrease of 42.8% compared with October 1972. The October daily average deliveries from 561 producers was 1,318 pounds. This compares to 778 farms delivering a daily average of 1,661 pounds per day during October 1972.

PRODUCER MILK - RECEIPTS AND CLASSIFICATION
January thru October



(Million Pounds)

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	<u>% Oct. '73</u>			
	<u>Over</u>	<u>Oct.</u>	<u>Sept.</u>	<u>Oct.</u>
	<u>Oct. '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
Number of Plants - Pool		3	3	7
- Non-Pool		13	13	12
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 42.8	739,206	746,959	1,291,968
Other Source	+183.0	101,590	115,688	35,893
Other Federal Orders	- 23.7	85,896	92,071	112,558
TOTAL MILK RECEIPTS	- 35.7	926,692	954,718	1,440,419
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 20.8	394,620	408,237	498,115
Skim	- 9.9	20,418	21,265	22,657
2% Milk	+ 14.7	171,940	161,585	149,957
Buttermilk	- 8.8	53,591	53,780	58,754
Flavored Milk and Drink	+ 2.7	27,819	26,727	27,089
Creams (Sweet and Sour) and Dip	- 9.5	3,272	3,370	3,617
Yogurt	- 49.9	356	399	711
Pkg. Items Sub-Total (Pool Plants)	- 11.7	672,016	675,363	760,900
Other (Shrinkage, Inventory, etc.)		889	1,740	5,376
Sales to Non-Pool Plants		-0-	-0-	279,886
In-Area Sales by Non-Pool Plants	+105.2	103,749	109,847	50,549
TOTAL CLASS I MILK	- 29.2	776,654	786,950	1,096,711
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 15.9	63,780	63,115	55,039
Livestock Feed and Milk Dumped		4,995	4,905	10,201
Shrinkage Class II		14,997	16,534	19,611
Other (Inv. Variation, Cottage Cheese, etc.)		54,178	75,415	59,352
Bulk Sales to Non-Pool Plants		12,088	7,799	199,505
TOTAL CLASS II MILK	- 56.3	150,038	167,768	343,708
<u>CLASS I PACKAGED POUNDS</u>				
Distributed In Area - Pool Plants	- 11.0	471,492	475,672	529,739
Distributed Out of Area - Pool Plants	- 13.3	200,524	199,691	231,161
Distributed In Area - Non-Pool Plants	+105.2	103,749	109,847	50,549
% Producer Milk of Gross Class I		95.2	94.9	117.8
% Producer Milk Priced in Class I		90.9	90.4	76.5

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	<u>% Oct. '73</u>			
	<u>Over</u>	<u>Oct.</u>	<u>Sept.</u>	<u>Oct.</u>
	<u>Oct. '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
<u>PACKAGE ITEMS</u>				
Homo Milk	-10.8	353,839	372,467	396,868
Skim	+ 0.2	15,885	16,420	15,850
2% Milk	+32.4	127,912	121,522	96,590
Buttermilk	+ 3.1	47,513	47,145	46,086
Flavored Milk and Drink	+23.9	26,865	24,558	21,686
Fluid Creams, Yogurt and Dip	+ 0.6	3,227	3,407	3,208
Class I Package Pounds - In Area	- 0.9	575,241	585,519	580,288

COMPUTATION OF PRODUCER UNIFORM PRICE

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OCTOBER 1973	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	
Gross Class I		24,076,263	2.784		
Less Other Source		3,236,223	2.784		
Producer Milk Class I	90.9	20,840,040	2.784280	\$7.792808	\$1,624,024.30
Gross Class II		4,651,193	5.938		
Less Other Source		2,575,845	.021		
Producer Milk Class II	9.1	2,075,348	13.280809	16.390536	340,160.66
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	22,915,388	3.734905		\$1,964,184.96
Add Fractional Adjustment					.06
Add Value of Class I Other Source and Producer Location Adjustment		2,681	0.00		132.04
Add ½ Producer-Settlement Fund Reserve					9,789.30
TOTAL VALUE AT TEST		22,918,069	3.734468	\$8.613755	\$1,974,106.36
Less Test over 3.5% @ 10.0¢ per point		22,918,069	.234468	.234468	53,735.54
TOTAL UTILIZATION VALUE AT 3.5%		22,918,069	3.5	\$8.379287	\$1,920,370.82
Less Producer-Settlement Fund Reserve		22,918,069		.049287	11,295.63
PRODUCER UNIFORM PRICE @3.5% TEST		22,918,069	3.5	\$8.33	\$1,909,075.19

Reports from the following pool plants were included in the computation of Federal Order No. 90 uniform producer price for October 1973.

Happy Valley Farms, Inc., Rossville Georgia
 Mayfield Dairy Farms, Inc., Athens, Tennessee
 Ray Moss Farms, Inc., Chattanooga, Tennessee

The October 1973 ORDER MINIMUM uniform producer price is \$8.33 per cwt. f.o.b. pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 10.0 cents for each one-tenth of one percent above or below 3.5 percent test. The Order minimum prices at test quoted below exclude premiums.

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$7.83	3.75	\$8.58	4.5	\$9.33	5.25	\$10.08
3.05	7.88	3.8	8.63	4.55	9.38	5.3	10.13
3.1	7.93	3.85	8.68	4.6	9.43	5.35	10.18
3.15	7.98	3.9	8.73	4.65	9.48	5.4	10.23
3.2	8.03	3.95	8.78	4.7	9.53	5.45	10.28
3.25	8.08	4.0	8.83	4.75	9.58	5.5	10.33
3.3	8.13	4.05	8.88	4.8	9.63	5.55	10.38
3.35	8.18	4.1	8.93	4.85	9.68	5.6	10.43
3.4	8.23	4.15	8.98	4.9	9.73	5.65	10.48
3.45	8.28	4.2	9.03	4.95	9.78	5.7	10.53
3.5	8.33	4.25	9.08	5.0	9.83	5.75	10.58
3.55	8.38	4.3	9.13	5.05	9.88	5.8	10.63
3.6	8.43	4.35	9.18	5.1	9.93	5.85	10.68
3.65	8.48	4.4	9.23	5.15	9.98	5.9	10.73
3.7	8.53	4.45	9.28	5.2	10.03	5.95	10.78

OCTOBER 1973 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Butterfat Allocated	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	67.8	580,245	\$1.03	\$ 597,652.35
Class II	32.2	275,623	0.91	250,816.93
Total	100.0	855,868		\$ 848,469.28

Total Butterfat Value ÷ Total Producer fat pounds = \$0.991355

Producer Butterfat Differential per point variation above or
 below 3.5 percent - - - - - \$0.100

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Oct. '72	\$6.73	-	-	8.2¢	\$7.22	8.4¢	\$5.18	8.0¢
Nov.	6.92	-	-	8.2	7.25	8.3	5.32	8.0
Dec.	6.91	-	-	8.2	7.33	8.3	5.41	8.1
Jan. '73	6.90	-	-	8.2	7.47	8.5	5.43	7.8
Feb.	7.10	-	-	8.0	7.56	8.1	5.45	7.8
Mar.	6.95 2/	\$7.07	\$5.55	7.8	7.58	8.1	5.55	7.4
Apr.	6.80 2/	6.95	5.63	7.4	7.60	7.7	5.63	7.1
May	6.94 2/	7.10	5.66	7.2	7.70	7.4	5.66	7.0
June	7.10 2/	7.24	5.73	7.2	7.78	7.3	5.73	7.0
July	7.32 2/	7.44	5.78	7.4	7.81	7.3	5.78	7.3
Aug.	7.74	-	-	8.0	7.88	7.6	6.38	9.0
Sept.	8.28	-	-	9.6	8.37	9.4	6.91	9.9
Oct.	8.33	-	-	10.0	8.53	10.3	7.49	9.1
Nov.	-	-	-	-	9.06	9.5	-	-
Dec.	-	-	-	-	9.64	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	(Daily Average)				Percentage Use	
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Class I Pounds	Test-%	Class II Pounds	Test-%	Cl. I	Cl. II
Oct. '72	69.38	33.70	\$5.18	988,985	3.21	302,983	5.74	76.5	23.5
Nov.	69.29	34.99	5.32	981,185	3.17	198,072	7.50	83.2	16.8
Dec.	70.49	37.36	5.41	920,115	3.15	254,774	6.93	78.3	21.7
Jan. '73	67.72	39.06	5.43	885,877	3.04	316,704	6.53	73.7	26.3
Feb.	67.71	40.34	5.45	959,795	3.09	267,892	7.19	78.2	21.8
Mar.	64.17	41.99	5.55	888,264	3.01	373,861	5.92	70.4	29.6
Apr.	61.58	43.98	5.63	767,656	3.02	540,208	4.95	58.7	41.3
May	61.00	45.20	5.66	793,404	2.93	484,871	4.80	62.1	37.9
June	61.00	45.24	5.73	779,652	2.98	407,557	4.87	65.7	34.3
July	63.43	45.51	5.78	763,373	3.03	247,383	5.55	75.5	24.5
Aug.	78.15	47.96	6.38	647,883	2.89	126,570	7.38	83.7	16.3
Sept.	85.94	50.07	6.91	675,195	2.80	71,764	11.48	90.4	9.6
Oct.	79.34	50.82	7.49	672,259	2.78	66,947	13.28	90.9	9.1

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdler	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Oct. '72	19	1,440,419	1,096,711	7	778	1,291,968	-	3.80	1,661
Nov.	18	1,306,518	1,054,189	7	722	1,179,257	-	3.90	1,633
Dec.	19	1,295,846	981,606	7	723	1,174,889	-	3.97	1,625
Jan. '73	18	1,301,289	958,995	6	769	1,202,581	-	3.96	1,564
Feb.	18	1,315,283	1,026,601	6	745	1,227,687	-	3.99	1,648
Mar.	18	1,354,127	956,276	6	739	1,262,125	1,162,997	3.87	1,708
Apr.	18	1,412,799	839,607	6	732	1,307,864	1,162,188	3.82	1,787
May	18	1,367,832	861,685	6	726	1,278,275	1,140,405	3.64	1,761
June	18	1,273,527	843,702	6	720	1,187,209	1,076,817	3.63	1,649
July	17	1,128,476	857,423	4	630	1,010,756	938,848	3.64	1,604
Aug.	17	905,289	742,937	4	601	774,453	-	3.63	1,289
Sept.	16	954,718	786,950	3	567	746,959	-	3.63	1,317
Oct.	16	926,692	776,654	3	561	739,206	-	3.74	1,318

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I